



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

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Receive and accept the Treasurer's Report of Investments for the quarter ending March 31, 2025.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive and accept the Treasurer's Report of Investments for the quarter ending March 31, 2025.

SUMMARY:

Government Code Section 53646 (b) (1) states the Treasurer may submit a quarterly report of investments. The following discussion of economic and market conditions along with attached exhibits support investment activity during the January - March period.

DISCUSSION:

The U.S. economy is facing uncertainty due to tariff and policy concerns, with the labor market remaining a key strength. Goods inflation is hindering process toward the Federal Reserve's 2% inflation target, while fiscal policy uncertainty and fluctuating tariffs are impacting consumer sentiment.

The Federal Reserve paused its rate cuts in March, keeping the federal funds target rate at 4.25% -4.50%, but plans further reduction later in 2025. Federal Reserve Chair Powell highlighted that significant policy changes in areas such as trade, immigration, and regulation are contributing to considerable economic uncertainty.

On March 31, 2025, the County of Monterey investment portfolio contained an amortized book value of \$3,107,181,425 spread among 276 separate securities and funds. The par value of those funds was \$3,135,079,477 with a market value of \$3,117,754,641 or 100% of amortized book value. The portfolio's effective rate of return for the period was 4.28% generating estimated quarterly interest earnings of \$33,176,641. Earnings received in cash will be distributed proportionally, by the Auditor-Controller, to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 507 days. The County Treasury continues to achieve safety, liquidity, and yield goals by balancing shorter-term debt and longer-term debt given investment opportunities in the current market environment.

The investment portfolio follows all applicable provisions of state law and the adopted Investment Policy. Market value pricings were obtained through resources such as Bloomberg LLP, US Bank, and live-bid pricing of corporate securities.

OTHER AGENCY INVOLVEMENT:

A copy of this report will be distributed to all agencies participating in the investment pool. The Treasury Quarterly Reports are also posted on the County Treasurer's website. A monthly report of investment transactions is provided to the Board of Supervisors as required by Government Code 53607.

FINANCING:

The investment portfolio contains sufficient liquidity to meet all projected expenditures over the next six months. Investment earnings in the General Fund have exceeded the FY 2024-25 budgeted total.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation supports the Administration initiative by providing transparency and accountability in the management of County funds in the Treasurer's investment portfolio.

Mark a check to the related Board of Supervisors Strategic Initiatives

☐ Economic Development
☒ Administration
☐ Health & Human Services
☐ Infrastructure
☐ Public Safety

Prepared by: Lupe Reyes, Chief Deputy Treasurer-Tax Collector, x5415

Approved by: Mary A. Zeeb, Treasurer-Tax Collector, x5015

Attachments:

Exhibit A - Investment Portfolio Review 03.31.2025

Exhibit B - Portfolio Management Report 03.31.2025

cc:

Auditor-Controller - Internal Audit Section
All depositors
County Administrative Office
County Counsel